

**Minutes, July 8, 2004 meeting**  
**Drinking Water Program Funding Committee**

**In attendance:**

Lawrie Kobza, Municipal Environmental Group; Ken Blomberg, Wisconsin Rural Water Association; Rick Stadelman, Wisconsin Towns Association; Steve Yttri for David Denig-Chakroff, Wisconsin Water Association; Jill Jonas, Don Swailes, Megan Matthews, WDNR.

Meeting minutes from June 24 were corrected and approved.

**Program funding**

The group requested additional discussion on filling an approximate \$2 million gap from reductions during the last two state budget periods. Jill pointed out that the program had completed a needs survey and requested 9 more positions (to be paid for from Federal dollars) to adequately staff the DG program. These positions were requested to meet expanding federal requirements. State budget cuts then started. Since then, the program has lost 15 full time positions. DG has not been able to fill or add permanent positions, regardless of funding source.

**Fees**

There was discussion about two different types of fees—one for administration and one specific to a service provided. Not everyone agreed that general fees should be implemented. If there is a fee, the feeling was strong that only a “fee-for-service” be discussed. Fees should not cover general administration costs.

DNR staff provided the requested information about fees options, and how other states implemented fee packages.

- Don reviewed how some states implement fees. He also reviewed a Texas study of a few states fee programs, including neighboring states of Michigan, Ohio and Minnesota.
  - Texas determined that a “fee for service” program was inadequate and inequitable because the cost per person was higher for smaller municipalities than for large ones.
  - Most states do not do a per-hour fee because it is too expensive to administer. They have a project-type category system.
- Don provided cost estimates based on activities, consistent with our existing budget process. Estimates were given on a “fee for service basis”.
- Discussion on fee equity whether a large or small system.
- The group wanted to know what other services the DNR provides for which we might charge a fee. Engineers’ technical assistance was one service discussed.

**Staffing**

- Recognize there are additional administrative costs associated with any fee system.
- Even though the program has federal staffing dollars, it has not been allocated requested positions.
- The group discussed the need for prioritizing position and resource allocations within state government.

**Decisions:**

The group will develop a recommendation paper. It will include:

1. Opposition to developing a fee program.
2. Support to hire state staff (with available federal funds).
3. Maintaining GPR levels, and support for recouping \$ lost over the last two budgets.
4. There needs to be clear priority setting based on public health needs on the part of the DNR and all of state government. Once state prioritization and stabilization of program GPR levels occur, if funding is still problematic, the group is willing to reconvene.
5. There needs to be a larger group of supporters aware of and supportive of this, considering the negative impacts of fee programs. (ie, hotels, restaurants, campgrounds groups, etc.).

**Next meeting:**

July 22<sup>nd</sup>, 2004

Go over position paper document for concurrence.